

CONFIDENTIAL

DDA Registry
78-0170/4

30 JAN 1978

DDA Registry
File Personnel-11

MEMORANDUM FOR: Director of Central Intelligence

THROUGH : Acting Deputy Director of Central Intelligence
Acting Deputy Director for AdministrationFROM : Thomas B. Yale
Director of FinanceSUBJECT : Background Information on Proposed CIA Recreational
Facility Construction25X1 The following information is in response to your recent request for
background on the Central Employee Activities Fund (CEAF).a. Background

The Central Employee Activities Fund is derived from excess net profits of employee clubs and net proceeds from the termination and liquidation of the assets of such clubs. These funds are used for the general benefit and morale of Agency personnel.

b. Who Runs

The fund is administered by the Director of Finance subject to the requirement that all disbursements be approved by the Deputy Director for Administration.

c. What Did We Spend Money for in FY 77

The attached represents a listing of all CEAF expenditures for Fiscal Year 1977. The funds expended for receptions for the DCI and DDCI (cookies, punch, and coffee) were considered to be of the benefit for all Agency employees who wished to bid farewell to Mr. Bush and Mr. Knoche.

25X1

CONFIDENTIAL

Approved For Release 2003/06/13 : CIA-RDP81-00142R000500030002-5

SUBJECT: Background Information on Proposed CIA Recreational Facility Construction

d. Do We Still Have Any Clubs

Clubs are currently active at the following locations:



(signed) Thomas B. Yale

Thomas B. Yale

Att

Distribution:

0 & 1 - Addressee
1 - DDA
1 - D/Log
1 - D/Fin
2 - P&SS

25X1A

OF/P&SS [redacted] sk (30 Jan 78)

Approved For Release 2003/06/13 : CIA-RDP81-00142R000500030002-5

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2003/06/13 : CIA-RDP81-00142R000500030002-5

CENTRAL EMPLOYEE ACTIVITIES FUND

Listing of Expenditures for the Period 1 October 1976 - 30 September 1977

| | |
|---|--------------------------|
| Refreshments for Summer Interns - Two occasions - for approximately 60 Summer Interns and 18 Senior Officials | \$ 292.50 |
| Alumini Day Refreshments - Coffee and doughnuts for retired Agency Employees | 135.40 |
| Coffee after Christmas Parties | 25.92 |
| Refreshments for Mr. Knoche's Reception - For the benefit of all employees who wished to bid farewell to Mr. Knoche | 190.64 |
| Refreshments for Mr. Bush's Reception - For the benefit of all employees who wished to bid farewell to Mr. Bush | 618.22 |
| 25X1A [redacted] - Purchase of Little League Baseball Equipment | 1,302.57 |
| 25X1A [redacted] Softball Team - Purchase of uniforms | 640.00 |
| 25X1 [redacted] Recreational Equipment - Basketballs, Nets, Volleyballs and stand for Weightlifting equipment | <u>116.99</u> |
| | <u><u>\$3,322.24</u></u> |

Approved For Release 2003/06/13 : CIA-RDP81-00142R000500030002-5

Answer to DCI Questions on CEAFF

STATINTL

[redacted]
Executive Officer/DDA

DD/A 78-0170/3

24 January 1978

Director of Finance

Tom:

Please note DCI's
questions on CEAFF listed
on last page of attached
memo.

Also, please see
Jack Blake's note for you
to prepare memo to DCI
answering these questions
posed and explaining use
of CEAFF funds.

Suspense date is
30 January 1978.

STATINTL

[redacted]

DD/A 78-0170; Memo to DCI
on Background Info on Proposed
CIA Rec Facility Construction -
DCI questions listed on last page
this memo.

DDA 78-0170/1; Jack Blake's note
to ADDA tasking D/OL to proceed
with Rec Facility Construction
program and D/OF to answers questions
re CEAFF posed by DCI.

Distribution:

Orig - D/OF w/copy of Memo/Question
1 - DDA Chrono
✓ 1 - DDA Subject
1 - [redacted] chrono STATINTL

Recreational Construction Program

STATINTL

DD/A 78-0170/2

[redacted]
Executive Officer/DDA

24 January 1978

Director of Logistics

Jim:

Please note Jack Blake's
note and proceed accordingly.

STATINTL

[redacted]

DDA 78-0170/1; RS note from
ADDCI re proceeding w/recreational
construction program and to inform
Compt and OGC re tennis court;
Also D/OF to prepare memo on CEAF
questions listed by Director on
last page of DDA 78-0170; Memo
to DCI- Background Info on Pro-
posed CIA Rec. Facility Construction.

Distribution:

Orig - D/OL for action
✓ 1 - RS DDA Subject
1 - RS DDA Chrono
1 - RFZ chrono

UNCLASSIFIED

INTERNAL
USE ONLY

CONFIDENTIAL

SECRET

Approved For Release **ROUTING : AMENDMENT** RDP81-00142R000500030002-5
RECORD SHEET

SUBJECT: (Optional)

Executive Registry
18-24-7312

CIA Recreational Facility

FROM:

John F. Blake
Acting Deputy Director of
Central Intelligence

TO: (Officer designation, room number, and
building)

1. Acting Deputy Director
for Administration
7D 24 Hqs

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

DATE
RECEIVED FORWARDED

EXTENSION
NO.
OFFICER'S
INITIALS

DATE

23 January 1978

COMMENTS (Number each comment to show from whom
to whom. Draw a line across column after each comment.)

Mike:

The attached correspondence,
designed to elicit a DCI position,
is self-explanatory. Would you now
please undertake the following:

a. Task the Director of
Logistics to proceed with the
totality of the recreational
construction program as approved
by the Director. In the course
of doing this have D/L explicitly
inform the Comptroller and OGC
as to the manner in which we are
proceeding to build the first
two tennis courts.

b. Task the Director of
Finance to prepare a memo to the
DCI answering his questions on
CEAF. Ensure that the Director
of Finance properly explains the
use of CEAF funds for the
"employee receptions" which are
reported in the summary of
expenditures from that fund
contained in the file.

STAT

John F. Blake

Atts:
ER 78-4143, -/1

Distribution:
Orig RS - ADDA
1 - ADDCI
1 - ER

SUBJECT: Background Information on Proposed CIA
Recreational Facility Construction

you desire. As with the other phases of the project, RECD would provide the necessary drawings and specifications for the work which would probably be contracted for by EAA.

6. Please let me know if you require any additional information.

STATINTL

[Redacted]
James H. McDonald

Atts

21 JAN 1978

1. I'd like to go ahead with 2 counts from CEAFF and plan for 4 trying to get 2 more from Congress (or shift funding for the first 2 to Congress if feasible but not delay)
2. I'd appreciate some brief background on CEAFF - who runs it
What did we spend & join FY (or is it ex) 77?
I'm not enthusiastic about employee funds being used for parties for DCI's & DCDCI's

Doesn't it look like some clubs?
Really looks good to me -

DD/A Registry
78-0170

13 JAN 1978

DD/A Registry
File Personnel II

MEMORANDUM FOR: Acting Deputy Director for Central Intelligence

VIA: Acting Deputy Director for Administration

FROM: James H. McDonald
Director of Logistics

SUBJECT: Background Information on Proposed CIA
Recreational Facility Construction

REFERENCE: Memo dtd 8 Jul 77 to DCI fm D/Pers,
subject: Facilities for Physical
Conditioning and Recreation
(OL 7 3638)

1. The background information you requested on the proposed CIA recreational facility construction is included as Attachment A for your information.

2. The referent recommended that the project be split into three phases. The first phase, using appropriated funds, provided for a control access gate, an access road, and a parking lot. The second phase provided for a football/soccer field, a softball field, a handball court, and a basketball court. The third phase, to be accomplished at a future unspecified date, provides for a second softball field, four tennis courts, and appropriate lighting for nighttime use of facilities. A drawing indicating the proposed locations of the facilities, the planned phases, and new estimated costs is included as Attachment B. The costs shown for Phase II vary slightly from those cited in the referent but are still within the approved total.

3. Appropriated funds in the amount of \$15,700 were made available to GSA by a work order dated 15 September 1977 for doing the Phase I work. Nonappropriated funds in the amount of \$50,000 are available from EAA for doing the Phase II work. Drawings and specifications for Phase I are now in the hands of GSA for implementation, and drawings, specifications, and contract documents for Phase II construction are in final preparation by the Real Estate and Construction Division (RECD/OL).

SUBJECT: Background Information on Proposed CIA
Recreational Facility Construction

4. Tennis courts were not included in the original DCI approval of Phase I and Phase II but rather were deferred to some future date as part of a proposed Phase III construction. We have been advised by the Office of the Comptroller that a statement regarding the construction of modest facilities for the physical health and well being of Agency employees is being included in the Agency's FY-79 Congressional Budget submission and that, if approved during the Congressional Budget process, then the Office of the Comptroller would arrange for the necessary reprogramming to make funds (approximately \$60,000) available for the construction of four tennis courts or other similar facilities. Congressional approval of this statement is particularly important because the Office of General Counsel has previously opined that there are sufficient doubts about the justification for an Agency physical fitness program that appropriated funds should not be used for such facilities unless specific authorization is obtained from Congress or an approval by the Comptroller General is received. Because of these complexities, the appropriation being sought by the Comptroller is by no means assured and another source of funds may be required. One such source is the Central Employee Activities Fund (CEAF) which, with the approval of the DDA, could be used for this purpose. Based on a recent financial report on this fund (included as Attachment C), it would appear that approximately \$43,000 could be made available still leaving sufficient funds to support average CEAF annual expenses. Since our current estimate for the construction of four tennis courts is approximately \$60,000, at least two courts could be constructed from the funds which may be available from the CEAF.

5. Should we decide to proceed with the construction of the proposed tennis courts, an environmental impact assessment and additional coordination with the National Capital Planning Commission (NCPC) would be required. While we do not anticipate that the environmental assessment would present a problem, it may be that NCPC will require public hearings because of the increase in the scope of the project. We can only determine this through further discussions with NCPC officials and would be glad to do so should

SUBJECT: Background Information on Proposed CIA
Recreational Facility Construction

you desire. As with the other phases of the project, RECD would provide the necessary drawings and specifications for the work which would probably be contracted for by HAA.

6. Please let me know if you require any additional information.

/s/ James H. McDonald
James H. McDonald

Atts

Distribution:

Orig. - Addressee
1 - Executive Registry
1 - A⁴DDA ✓
1 - O/Compt
1 - OP/BSD

Background Paper

On

Proposed Headquarters Recreation Facilities

Prepared by

Real Estate and Construction Division, OL

January 1978

1. Since the establishment of the Headquarters compound of the Central Intelligence Agency, several Agency surveys and studies have been conducted to determine interest in physical fitness and recreational facilities for employees.

2. The Employee Activity Association (EAA) initially constructed ballfields in May 1963 on land made available under a use permit from the Federal Highway Administration. This area provided recreation and physical fitness activities for the Agency until the fall of 1973 when the General Services Administration surplused the land and turned it over to the National Park Service. Since then, use of these facilities by the Agency has been through a use permit granted by the National Park Service, renewed annually in the fall.

3. In October of 1976 a survey was initiated at the request of the Deputy Director of Central Intelligence (DDCI) to determine interests in facilities for physical conditioning and recreation. While the results of the survey did not provide overwhelming support for a multipurpose recreational building, considerable interest was expressed in physical fitness, exercise and athletic activities and the desire to engage in these activities near work locations. The results of the survey were reviewed with the DDCI in January 1977, and it was determined that a program of moderate improvements in facilities would be developed for management consideration.

4. Real Estate and Construction Division, Office of Logistics (RECD/OL), undertook a planning study of possible external recreational facilities which could be located at the Headquarters compound. After a review of the areas

available for these facilities and considering topographic conditions, environmental considerations, site construction and improvement costs, proposed layouts and cost estimates were developed and submitted to the Office of Personnel. These were included in a study presented to the Director of Central Intelligence (DCI) with a recommendation that recreational and physical fitness facilities at the Headquarters compound be constructed for Agency employees.

5. In a memorandum from Director of Personnel to the DCI dated 8 July 1977, and approved by the DCI on 8 August 1977, the following recommendations were made:

a. Construction of the following security features by GSA using appropriated funds (Phase I):

| <u>Facilities</u> | <u>Estimated Cost</u> |
|--|-----------------------|
| Control Gate, Road, and Parking Lot | \$15,700 |

b. Construction of the following recreational facilities by EAA through a contractor. (The EAA Board of Directors had voted to make available up to \$50,000 for facilities that meet the needs of large numbers of active EAA participants.)

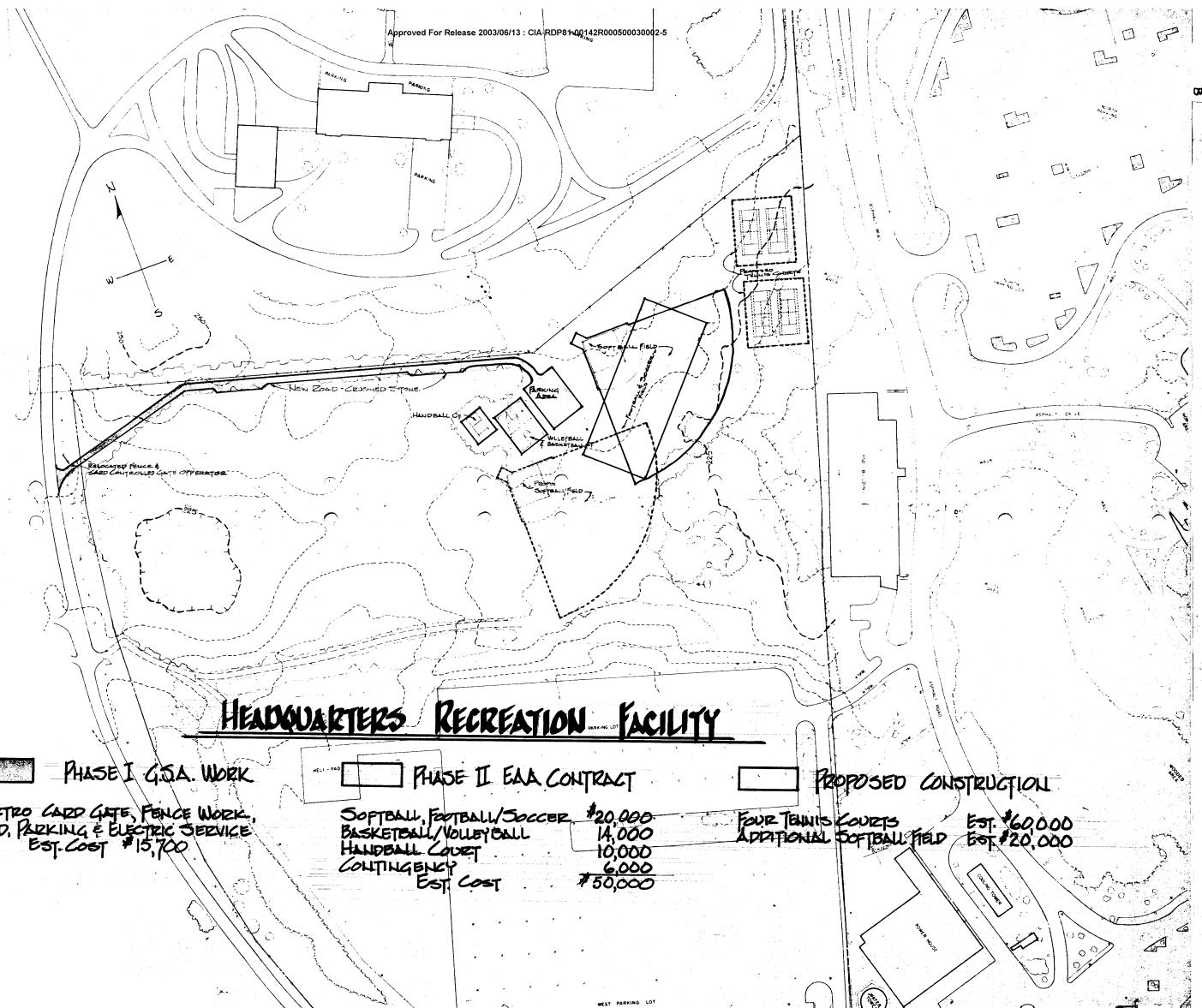
| <u>Facility</u> | <u>Estimated Cost</u> |
|-----------------|-----------------------|
| Softball | \$ 9,100 |
| Football/Soccer | 11,000 |
| Basketball | 9,250 |
| Volleyball | 350 |
| Handball | 5,500 |
| Contingency | <u>14,800</u> |
| TOTAL | \$50,000 (Phase II) |

c. Specific appropriations be requested at the earliest date possible for the construction of four tennis courts at an estimated cost of \$50,000 as part of our health services program for the physical fitness of employees. (The Office of the Comptroller is requesting the necessary funds in the FY-79 Congressional Budget Submission.)

6. RECD/OL contacted the National Capital Planning Commission (NCPC) on 17 August to inquire whether formal NCPC review of the proposed project would be required. Such formal approval was not required, and after several informal meetings, a letter was received from NCPC dated 22 September 1977 agreeing that the proposed site improvements would be of a temporary nature with minimal impact on the existing vegetation and would not limit in any way the implementation or execution of the provisions of the approved master plan for the area in which the temporary improvements were proposed to be located (tennis courts were not included in these discussions).

7. An environmental assessment was prepared for the proposed facility. The result was a negative determination, i.e., the project would have no significant impact upon the physical environment, ecological systems, historical or cultural resources, or economic balances. On 22 November 1977, the Director of Logistics forwarded a letter to the Chairman, Council on Environmental Quality stating these findings.

8. The project was divided into two primary phases with tennis courts being included in a possible future third phase. The first phase was to purchase and install a card-operated control gate; realign the fence and provide an associated electric service drop; and construct a crushed stone access road and parking lot. A work order was forwarded to GSA on 15 September 1977 to cover this work with design drawings and specifications to follow (since provided and now in the hands of GSA for implementation). The second phase of the project was to provide a contract package for EAA use for the construction of a softball field, a soccer/football field, an asphalt-surfaced basketball/volleyball court, and a handball court. EAA would then contract for the work using either bid or negotiated contract procedures. Drawings and specifications for Phase II were completed 27 December and are now being reviewed by RECD/OL.



NOTES ON CENTRAL EMPLOYEES ACTIVITY FUND

| | <u>Approx.</u> |
|--|-----------------|
| Cash in savings account @ $5\frac{1}{4}\%$ with Interstate Building Association, reflecting interest to date | \$25,000 |
| STATINTL Less approval for expenditures at [redacted] Station | <u>3,000</u> |
| | \$22,000 |
| U.S.Treasury note, \$25,000, $5\frac{7}{8}\%$, due 10/31/78. Probably would have to be sold at discount, if done before maturity. However, interest earned and unpaid would offset the discount | 25,000 |
| Certificate of Deposit, \$40,000, 1 year, $6\frac{1}{2}\%$, with First Federal S&L Assn. If withdrawn before maturity, we would have to forfeit interest at the rate of $1\frac{1}{4}\%$ plus three months interest. At this time: Matures 9/20/78. | 39,275 |
| | <u>\$86,275</u> |
| Average annual expenditure from CEAF (based on past 3 yrs.) | \$2,286 |
| Fund required, invested @ $5\frac{1}{4}\%$, to produce income sufficient to accommodate average expenditures | \$43,500 |

Funds available
$$\begin{array}{r} \$86,275 \\ - 43,500 \\ \hline \$42,775 \approx \$43k \end{array}$$

CENTRAL EMPLOYEE ACTIVITIES FUND
STATEMENT OF FINANCIAL CONDITION
30 SEPTEMBER 1977

ASSETS

| | |
|---|---------------------------|
| Cash on deposit in savings account | \$23,923.55 |
| Investments, at cost: | |
| U.S. Treasury Note, \$25,000, 5 7/8%, due 10/31/78 | \$24,921.88 |
| Certificate of Deposit, 1-year, 6 1/2%, First Federal S&L Assn., due 9/20/78 | <u>40,000.00</u> |
| Accrued interest | 64,921.88 |
| STATINTL | 734.38 |
| | 4,250.00 |
| Advances to Office of Security for after-hours employee emergencies | 1,500.00 |
| Total Assets | <u>\$95,329.81</u> |

LIABILITIES AND NET WORTH

| | |
|---|---------------------------|
| Liabilities | -0- |
| Net Worth: | |
| Net worth 30 June 1976 | \$86,228.81 |
| Net income 7/1/76 - 9/30/77 (Exhibit B) | <u>9,101.00</u> |
| Net worth 30 September 1977 | \$95,329.81 |
| Total Liabilities and Net Worth | <u>\$95,329.81</u> |

STATINTL

Approved For Release 2003/06/13 : CIA-RDP81-00142R000500030002-5

Approved For Release 2003/06/13 : CIA-RDP81-00142R000500030002-5

CENTRAL EMPLOYEE ACTIVITIES FUND
SUMMARY OF EXPENDITURES
From Inception through 30 September 1977

STATSPEC

FY 19-

| | | | |
|--|-------------|-----------------|--------------------|
| Liquidation of [redacted] Club | 74 | \$60,000.00 | |
| Less funds returned | 75 & 76 | <u>7,740.15</u> | \$52,259.85* |
| Christmas trees & decorations | 63 to 74 | | 2,201.56 |
| Athletic activities: | | | |
| Construction of 3 softball diamonds | 64 | \$13,825.00 | |
| Maintenance of softball diamonds | 67 to 72 | 10,942.30 | |
| Physical fitness room equipment | 67, 68 & 76 | 1,240.83 | |
| Indoor track | 71 | <u>5,149.00</u> | 31,157.13 |
| Cultural activities: | | | |
| Piano & platform for choral group | 63 & 64 | \$ 549.76 | |
| Spinet piano for use in auditorium | 70 | <u>1,035.00</u> | |
| Contribution to National Gallery of Art for use of "Civilisation" film | 71 | <u>500.00</u> | 2,084.76 |
| Refreshments for employee gatherings: | | | |
| Retirement party for Colonel White | 72 | \$ 370.82 | |
| Reception to honor Mr. Colby | 76 | 522.12 | |
| Retiree homecoming days | 74, 75 & 77 | 833.58 | |
| New employees & summer interns | 67 to 77 | 1,143.70 | |
| Coffee after Christmas parties | 75 to 77 | 70.89 | |
| Reception to honor Mr. Bush | 77 | 618.22 | |
| Reception to honor Mr. Knoche | 77 | <u>190.64</u> | 3,749.97 |
| STATINTL | | | |
| Field activities: | | | |
| [redacted] share of swimming pool cost) | 63 | \$3,000.00 | |
| [redacted] recreational activities | 67 to 76 | 2,047.33 | |
| [redacted] (locks & fan for "Rap House") | 73 | 319.18 | |
| OTS softball activities (supplement to EAA sponsorship) | 76 | 321.90 | |
| [redacted] Little League Equipment | 77 | 1,302.57 | |
| [redacted] activities | 77 | 640.00 | |
| [redacted] - recreational equipment | 77 | <u>116.99</u> | <u>7,747.97</u> |
| STATINTL | | | |
| Total expenditures through 9/30/77 | | | <u>\$99,201.24</u> |

*This might be weighed against a \$41,000 contribution of excess cash received by CEAF from [redacted] Club in 1967, which earned about \$13,000 in interest until 1974.

STATSPEC

CENTRAL EMPLOYEE ACTIVITIES FUND
SUMMARY OF TRANSACTIONS
By Fiscal Year since Inception

| <u>Fiscal Year</u> | <u>Contributions Received</u> | <u>Earnings Recorded</u> | <u>Expenditures</u> | <u>Net Worth at End of Year</u> |
|--------------------|-------------------------------|--------------------------|--------------------------|---------------------------------|
| 1961 | \$ 17,263.90 | \$ 538.40 | | \$17,802.30 |
| 1962 | 6,257.25 | 445.67 | | 24,505.22 |
| 1963 | | | \$ 3,948.54 | 20,556.63 |
| 1964 | | | 14,445.01 | 6,111.67 |
| 1965 | | | 450.18 | 5,661.49 |
| 1966 | 19,367.47 | | 66.04 | 24,962.92 |
| 1967 | 41,000.00 | | 2,328.15 | 63,634.77 |
| 1968 | 405.12 | 2,877.53 | 2,249.60 | 64,667.82 |
| 1969 | | 3,194.70 | 3,041.15 | 64,821.37 |
| 1970 | | 3,110.20 | 2,640.58 | 65,290.99 |
| 1971 | 2,865.18 | 3,467.78 | 7,714.07 | 63,909.88 |
| 1972 | 10,000.00 | 2,929.73 | 2,848.29 | 73,991.32 |
| 1973 | 11,419.50 | 4,533.92 | 674.42 | 89,070.32 |
| 1974 | 5,146.27 | 8,018.53* | 60,509.82** | 41,725.30 |
| 1975 | 10,843.17 | 4,016.67 | 1,395.40 (7,000.00)** | 62,189.74 |
| 1976 | 19,940.83 | 4,418.49 | 1,060.40 (740.15)** | 86,228.81 |
| 1977 | 6,000.00 | 6,670.74 | 3,569.74 | 95,329.81 |
| | <u>\$150,508.69</u> | <u>\$44,022.36</u> | <u>\$99,201.24</u> | |

*Includes \$3,018 gain on sale of Treasury bonds.

**Reflects \$60,000 grant to [redacted] Club to settle accounts and liquidate club and subsequent return of \$7,740.15 to CEAF.

STATSPEC

NOTE: In FY 1962 funds were withdrawn from savings banks and reflected as Agency cash because of regulations requiring identification. At the beginning of FY 1968 the Employee Activities Association was appointed Trustee for CEAF, and funds were invested in savings accounts, certificates of deposit, and Treasury Notes.